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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation

MINISTRY OF LABOUR & EMPLOYMENT

RESOLUTION

New Delhi, the 9th July, 1965

No. WB-11(5)/65.—By their Resolution No. WB-11(1)/61, dated the 5th January, 1962, the Government of India appointed a Central Wage Board for the iron and steel industry, with the following composition and terms of reference:—

I. COMPOSITION

Chairman

Shri G. K. Shinde

Independent Members

Shri Akbar Ali Khan, M.P.
Prof. M. L. Dantwala

Members representing employers

Shri M. S. Rao
Shri Saradindu Gupta

Members representing workers

Shri Michael John, M.P.

Shri Gopeshwar

Consequent on the resignations of Shri Saradindu Gupta and Prof. M. L. Dantwala, Shri R. S. Pande and Dr. D. T. Lakdawala were appointed as members of the Wage Board.

II. TERMS OF REFERENCE

(a) To determine the categories of employees (manual, clerical, supervisory, etc.), who should be brought within the scope of the proposed wage fixation;

(b) To work out a wage structure based on the principles of fair wages as set forth in the Report of the Committee on Fair Wages;

Explanation.—In evolving a wage structure, the Board should, in addition to the considerations relating to fair wages also take into account:—

(i) the needs of the industry in a developing economy;

(ii) the requirements of social justice; and

(iii) the need for adjusting wage differentials in such a manner as to provide incentives to workers for advancing their skill;

(c) To bear in mind the desirability of extending the system of payment by results;

Explanation.—In applying the system of payment by results the Board shall keep in view the need for fixing a minimum (fall-back wage) and also to safeguard against over-work and undue speed.

2. The Wage Board made recommendations for interim wage increase twice. These were accepted by Government by their Resolutions No. WB-11(35)/62 dated the 13th November 1962 and No. WB-11(4)/64 dated the 8th September 1964.

3. The Board's final report was received by Government on the 29th April, 1965. A summary of the recommendations is appended.

4. After careful consideration Government have decided to accept the recommendations made in the Board's report and to request the employers, the workers and the State Governments to implement the same expeditiously.

5. Government hope that joint endeavours will be made by the managements of the steel plants and the concerned labour unions to raise the existing level of productivity through technological improvements and a better utilization of the labour force.

6. The Government of India wishes to express their appreciation of the Board's work in dealing with the matters referred to them and submitting a unanimous report.

APPENDIX

SUMMARY OF RECOMMENDATIONS

1. **Scope.**—The scope of the Wage Board extends to six steel plants located at *Jamshedpur, Burnpur, Bhilai, Rourkela, Durgapur* and *Bhadravati*.

2. **Vertical Scope.**—Workman getting a basic wage upto Rs. 500 p.m. (marginal cases to be included) be included within the scope of enquiry. Apprentices and trainees should be excluded. The special staff of the Indian Iron and Steel Co. Ltd. should be included.

3. **Horizontal Scope.**—Employees employed outside the plants in services like, town, medical, educational, municipal, Water Works Departments etc. should be included within the scope of enquiry.

4. **Head Office Staff.**—Employees of the Head Office and Scales Offices situated outside the plant town be excluded from the scope of enquiry.

5. **Other Categories of Employees.**—All employees who work in the existing plants for production, repairs, alterations, should be treated on par with the employees employed inside the plant.

6. **Administrative Office Employees.**—All such employees employed at the plant location and working in administrative offices like those of General Manager's Office, Accounts Office, Works Engineering Office etc. though located outside the plant will be included within the scope of enquiry.

7. **Minimum wages for men (Production and Maintenance).**—The Board is of the view that it would be appropriate to fix Rs. 125 per month as the need based wage for unskilled men engaged in Works Department of the Steel Plants on production or maintenance jobs. Only in the case of the Mysore Iron and Steel Ltd. slightly lower minimum wage i.e. Rs. 115 per month has been recommended.

8. **Minimum wage for men (Service and Outside Works).**—The minimum wage for men in Service Departments and those engaged outside the works would be Rs. 120 per month. Only in the case of the Mysore Iron and Steel Limited it would be Rs. 110 per month.

9. **Minimum wage for women.**—The minimum wage for the lowest paid unskilled women will be Rs. 115 per month. Only in the case of the Mysore Iron and Steel Ltd. it would be Rs. 105 per month (Production and Maintenance) and Rs. 104 per month (Service and Outside).

10. **Grades.**—The following graded scales have been recommended for the lowest paid workers:—

For Tisco, Iisco & H.S.L.:

Men (Production Maintenance)—Rs. 125-135.

Men (Service & Outside Works)—Rs. 120-130.

Women (Production, Maintenance)—Rs. 115-135 (for H.S.L. 115-130).

Women (Service & Outside Works)—Rs. 115-130.

For Mysore Iran & Steel Ltd.

Men (Production, Maintenance)—Rs. 115-125.

Men (Service & Outside Works)—Rs. 110-120.

Women (Production, Maintenance)—Rs. 105-125.

Women (Service & Outside Works)—Rs. 104-120.

11. **Equal pay for equal work.**—In fixing the above scales for men and women it is understood that differentiation will be justified only if there is difference in their job content.

12. **Dearness allowance for the lowest paid unskilled workers.**—The revised dearness allowance for the lowest paid unskilled worker will be:

Tata Iron and Steel Co. Ltd.	..	..	..	Rs. 64
Indian Iron and Steel Co. Ltd.	..	..	..	Rs. 64
Hindustan Steel Limited ..	..	..	..	Rs. 45
Mysore Iron & Steel Limited	..	..	..	Rs. 50

13. **Split of wages in dearness allowance and basic wage.**—The split of the total wages of the lowest paid unskilled worker into basic wage and dearness allowance shall be as under:—

PRODUCTION AND MAINTENANCE

Organisation	Basic pay Women	Men	D.A. All	Total Women	Man
	Rs.	Rs.	Rs.	Rs.	Rs.
Tisco / Iisco	51-2-71	61-2-71	64	115-135	125-135
H.S.L.	70-1-71-2-85	80-2-90	45	115-130	125-135
MISL	55-2-75	65-2-75	50	105-125	115-125
SERVICE AND OUTSIDE WORKS					
Tisco / Iisco	51-1·85-62·10-1·95-66	56-2-66	64	115-130	120-130
H.S.L.	70-71-2-85	75-2-85	45	115-130	120-130
MISL	54-2-70	60-2-70	50	104-120	110-120

NOTE.—The cash coke subsidy granted by the Tata Iron and Steel Co. Ltd. and cash value of subsidised sale of coke by the Indian Iron and Steel Co. Ltd. which is said to be Rs. 9 shall be part of dearness allowance. The coke shall be continued to be supplied to the employees by these companies as at present but at the controlled rates.

(2) House Rent of Rs. 4 in the case of the employees of the Indian Iron and Steel Co. Ltd. who are not provided with quarters should be merged in dearness allowance. If, however, the management and the recognised union of the Indian Iron come to an agreement that the present system of supply of coke and payment of house rent allowance should continue, the Board would have no objection to such an arrangement; but in that case the dearness allowance payable would be reduced correspondingly.

14. **Cost of Living Index.**—The wages be linked with the All India Consumer Price Index (1949=100). The wages already recommended by the Board are related to the average of the All India Consumer Price Index for the year 1964 which is 152.

15. **Adjustment in dearness allowance.**—The dearness allowance should be variable. The rate of increase or decrease should be of Rs. 1·50 for every two points rise or fall in the all India Consumer Price Index 1949=100, provided that:

(i) There will be no change in the dearness allowance, either upward or downward, for the first six months from the time of the introduction of the revised wage structure; and

(ii) there will be no downward revision unless the index falls below 144.

The dearness allowance should be revised every three months in the months of March, June, September and December, on the basis of the average of all India consumer price index number of the previous quarters, October to December, January to March, April to June and July to September. It is recommended in Paragraph 12·6 that the revised wage structure should be introduced from 1st April, 1965. This would mean that there will be no change in the dearness allowance for the months, April 1965 to September 1965, upward or downward, and the first change would be made as soon as the figures of the all India Consumer Price Index for October 1965 to December 1965 are available.

16. **Neutralisation.**—The adjustment in dearness allowance recommended above gives 100 per cent neutralisation in the rise or fall of the cost of living for the lowest paid worker tapering off gradually as the wages rise.

17. **Production/Incentive Bonus.**—For production incentive bonus schemes bonus earnings will continue to be determined on the same basic wage in each case as applicable prior to these recommendations. The Board recognises that with the change of circumstances the production/incentive bonus can be modified at the appropriate time.

18. **Retiring gratuity.**—The present scheme of paying retiring gratuity in the Tata Iron and Steel Co. Ltd. and the Indian Iron & Steel Co. Ltd. is to continue. The Hindustan Steel Limited has no scheme of retiring gratuity at present. The

basic wage and dearness allowance for the calculation of gratuity, shall be those recommended by the Board.

19. **Conversion of daily-rated scales into monthly rated scales.**—All the daily rated scales be converted into monthly rated scales. The monthly rated scales are for calendar month with the usual weekly off which must be available to all the workers.

20. **Acting allowance.**—After conversion of daily rated scales into monthly rated scales the privilege of the daily rated employees getting acting allowance when they act in higher rated jobs even for a day or part of a day shall continue.

21. **Leave.**—After conversion of daily-rated scales into monthly rated scales the employees of the Tata Iron and Steel Co. Ltd., the Indian Iron and Steel Co. Ltd. and the Mysore Iron and Steel Ltd. should be allowed five days casual leave. The Hindustan Steel Limited will continue to give casual leave as now. No other additional leave benefits for the daily rated employees on being converted into monthly scales shall be available. All the future entrants to these converted scales will continue to get privilege leave at the rate of one day for 20 days work performed as at present and they will not be entitled to any furlough leave in the Tata Iron and Steel Co. Ltd. and the Mysore Iron and Steel Ltd. Wherever these recommendations are at variance with the certified standing orders of the company, the management and the recognised union will approach the Certifying Officer for an amendment of the certified standing orders in accordance with whose recommendations and the implementation of the recommendations will be subject to such certification. Meanwhile the employees should be paid the total emoluments as now recommended by the Board though calculated on daily rated basis.

22. **Practice of taking work in breach of section 51 and 52 of the Factories Act in the Indian Iron and Steel Co. Ltd.**—The practice to take work from the employees of the Indian Iron and Steel Co. Ltd. for all the seven days in a week without a weekly off should be stopped. In doing so it must be ensured that no existing worker suffers any reduction in total emoluments (including the amount earned due to his having to work even on the weekly off days in the month) provided the workers are prepared to take on themselves without increase in manning as far as practicable the additional workload arising from the change over to shift cycle and weekly off as required under Factories Act.

23. **National Holidays.**—All the Steel Plants should give the following paid national holidays:—

Republic Day	—	26th January
Independence Day	—	15th August
Mahatma Gandhi's Birth Day	—	2nd October.

The Tata Iron and Steel Co. Ltd. would continue to give Founder's Day on the 3rd March as a paid holiday.

24. **Scales of Dearness Allowance.**—The proposed scales of dearness allowance shall be as per paragraph 8.24, 8.26, 8.27 and 8.28 for the Hindustan Steel Limited, the Tata Iron and Steel Co. Ltd., the Indian Iron and Steel Co. Ltd. and the Mysore Iron and Steel Ltd. respectively.

25. **Wage Structure.**—The revised wage structure is given in Schedule I, II, III and IV attached to the report.

26. **Explanations and Safeguards.**—In the case of the Indian Iron and Steel Co. Ltd., the scales for the Security Guards, Special Staff and Medical Department could not be finalised. They should be settled between the management and the recognised union. The scales for the daily rated personnel in town, watch & ward and sanitary services will be the same as corresponding revised scales for works.

In the case of Mysore Iron and Steel Ltd., Bhadravati, the scales for the Hospital, Canteen, School, town, watch and ward etc. departments could not be finalised. They should be settled between the management and the recognised union by mutual negotiations.

It is possible that some of the existing wage scales may have been omitted in the Schedules. It is expected that the Managements and the recognised Unions concerned will negotiate a suitable wage scale, in all such cases, keeping in view the differentials indicated in the other similar revised wage scales.

It is recommended that so far as the production/incentive bonus schemes, which are at present in operation in the various plants, are concerned, the bonus earnings of the employees will continue to be determined on the same basic wages in each case as applicable prior to the coming into force of these recommendations. The Board, however, recognises that, with the change of circumstances, the production/incentive bonus schemes can be modified at the appropriate time.

27. **Revised scales of the Ministerial staff.**—The revised lowest scales of the Ministerial Staff shall be as under:—

(1) TISCO—Rs. 90—5—100—10—220—15—265
(This will give Rs. 158 at the minimum and Rs. 364 at the maximum)

(2) H.S.L.—Rs. 117—8—149—10—189—Test—12—285—15—300
(This will give Rs. 162 at the minimum and Rs. 355 at the maximum)

(3) IISCO—Rs. 95—5—125—7—160—EB—8—200
(This will give Rs. 165 at the minimum and Rs. 275 at the maximum and in addition Production Bonus)

(4) MISL—Rs. 85—4—97—5—112—EB—7—140
(This will give Rs. 140 at the minimum and Rs. 200 at the maximum).

Explanation.—In the case of the Hindustan Steel Limited the present lowest two grades of Rs. 110 to Rs. 180 and Rs. 130 to Rs. 280 have been merged into one Rs. 117—300.

In the case of the Indian Iron and Steel Co. existing grades A, A & B and B have been merged into a single grade of Rs. 95—200.

In the case of the Mysore Iron and Steel Ltd. the existing lowest three grades, *viz.* III Division and II Division Clerks and typists have been merged.

In the case of the Hindustan Steel Ltd. the present incumbents on the post of Lower Division Clerk shall be subjected to a test after reaching the stage of Rs. 189, only successful candidates will be eligible for the subsequent increments. The present incumbents of the post of Upper Division Clerk in the Hindustan Steel Ltd. and Senior Clerks in the Indian Iron and Steel Co. Ltd. will not be subjected to this test. Similarly, in the case of the Indian Iron there will be an Efficiency Bar at Rs. 160.

For future recruits the managements of the Steel Plants may revise the minimum qualifications for recruitment of ministerial staff.

28. **Scales of Salaries.**—Scales of salaries and revise of dearness allowance for Ministerial Staff in each of the Steel Plant shall be as in Schedule V.

29. **Fitment.**—The following procedure should be followed in fitting the existing employees in the revised scales:—

Employees would be fitted at a step in the revised scale nearest to their own rate of pay in the existing scale so that the benefit received is not less than one scale increment of the revised scale.

30. **Pro-rata payment.**—The existing daily rated employees who have been converted into monthly rated in departments or units in the Plant which work less than 18 shifts in a week will be paid *pro-rata* as at present.

31. **Weekly off.**—We have already recommended that all the employees should be given one full day's weekly off. Such of the existing daily rated employees in the town & medical departments of the Tata Iron and Steel Co. Ltd. who at present work for half-day on Sundays (but get full day's wages at present) will be given a full day weekly off, on their being converted into monthly rated, and an allowance equivalent to two days' basic wages will be paid as personal to them.

32. **Safeguard.**—Merely as a consequences of implementation of the recommendations of the Board, any facility, privilege, amenity, benefit monetary or otherwise, or concession to which an employee might be entitled by way of practice, or usage shall not be withdrawn, reduced or curtailed without an agreement with the recognised union, unless there is a specific direction to the effect in these recommendations.

33. **Disputes regarding fitment.**—If there be any dispute in respect of implementation of the recommendation of the Board regarding the fitment of employees in the proposed scales the same may be resolved by bipartite negotiations between the management of the Steel Plant and its recognised union.

34. **Date from which the recommendations should be given effect to**—The recommendations of the Board shall come into effect from the 1st April, 1965.

P. M. MENON, Secy.

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